



Finance Policies for Congregations of the Diocese of Fond du Lac

Adopted by the Executive Council November 17, 2011

These policies apply to all congregations of the Diocese of Fond du Lac and are sent annually to the parochial clergy Senior Wardens and Treasurers of diocesan congregations. This document does not take precedence over Church Canons.

1. General Policies

The Senior Warden and Treasurer of each congregation shall review annually

- *Title 4: Of Finances and Business Method* of the Diocesan Canons;
- *Title 1, Canon 7: Of Business Methods in Church Affairs* of the National Canons, and;
- *The Manual of Business Methods in Church Affairs* published by the National Church.
- In congregations with lay employees, the *Guide to Human Resource Practices for Lay Employees in Episcopal Churches* published by Church Pension Group.

Each congregation is expected to have in place policies and procedures consistent with these documents.

2. Compensation Minimums

Clergy

Compensation for clergy should meet the current *Clergy Minimum Compensation Schedule*. Failure to do so for at least one calendar year may lead to declaring a parish a mission congregation or loss of aid. Treasurers are responsible for paying clergy on a timely basis, on an agreed upon schedule. The Treasurer shall report taxable compensation as required by the Internal Revenue Service.

Lay Employees

Compensation for lay employees should meet or exceed an average rate for similar positions in the local area. The Treasurer shall report taxable compensation as required by the Internal Revenue Service.

3. Pension

Clergy

Payment of assessments to the Church Pension Fund at a rate set by the fund is mandatory by National Canons. The assessment is to be paid on a timely basis by the Treasurer.

Lay Employees

Lay employees working at least 1,000 hours annually (1/2 time) are eligible for a pension benefit. A congregation may provide this benefit to eligible employees at a rate that meets or exceeds the rates set by General Convention.

4. Insurance

Clergy

- By diocesan canon, health and dental insurance shall be offered at a level consistent with or exceeding policies offered through the Episcopal Church Medical Trust. The premium is to be paid on a timely basis by the Treasurer.
- A minimum of \$10,000 in Group Term Life Insurance and Accidental Death Insurance shall be provided through the Church Life Insurance Corporation. The premium is to be paid on a timely basis by the Treasurer.

Lay employees

- Lay employees who work at least 1,000 hours annually (1/2 time) are eligible for Health, Dental, Group Term Life and Disability Insurance. A congregation may provide this benefit at a rate consistent with General Convention action.

5. Travel Reimbursement

Congregations should budget a travel expense reimbursement of not less than \$3,600 per year for a Rector, Vicar, Priest-in-Charge, Assistant or Associate Priest serving a congregation on a full-time basis. The required method to reimburse for travel on church business is on an accountable basis with record kept as to reason for the trip, date of the trip, and mileage. Non-accountable reimbursement is not allowed because reimbursements on a non-accountable basis are assessable for pension purposes and taxable income and must be so reported by the Treasurer annually to the IRS and pension fund.

A congregation is encouraged to establish travel reimbursement on an accountable basis for a Deacon serving a congregation.

- (D) shall have failed to file its annual financial review or audit report required by the canons of the Diocese with the Bishop prior to September 1st.

6. **Housing and Utilities**

Due to IRS implications, the following policies shall only apply to each Rector, Vicar, Priest-in-Charge, Assistant or Associate Priest serving a congregation or a Deacon, if employed in a position beyond a diaconal role (such as a parish administrator).

A congregation shall provide the cleric housing and utilities through church-owned housing, rental, or by a cash housing allowance adopted by resolution of the Vestry.

Home / Cell phone expenses will be paid by the congregation for calls made pertaining to the work of the Church. Personal calls will be paid for by the cleric.

When church-owned or rental housing is provided, the congregation shall provide to the cleric an equity allowance of at least 2.0% of the stipend. In addition, major kitchen appliances, clothes washer and dryer are to be supplied.

7. **Supply Priest's Remuneration**

The congregation shall provide remuneration at the rate determined in the current '*Supply Clergy Remuneration Rate*'.

8. **Pledge, Parochial Reports, Pension Fund**

Canon 1.8 of the Diocese states:

- (a) Lay Delegates from any congregation shall not be entitled to vote in the Convention if the congregation
 - (A) shall have failed to pay its pledge to the Diocese for the preceding fiscal year; or
 - (B) shall have failed to file its annual parochial report required by the canons of THE EPISCOPAL CHURCH with the Bishop of the Diocese on or before the opening of the Convention; or
 - (C) shall be in arrears to the Church Pension Fund for any portion of the pension assessments for the preceding year.

The congregation's Pledge payment to the diocese is expected by the fifteenth of each month.

9. **Discretionary Fund**

Priests

A congregation may establish a discretionary fund for a priest. The discretionary fund should be a separate account established under the Federal Tax ID of the congregation. Use of the discretionary fund should be consistent with National Canon 2003 Title 3, Canon 9, Section 5(b)(6) and the *Manual of Business Methods in Church Affairs*.

Deacons

With permission of the Bishop, a Deacon may establish a discretionary fund which should be a separate account established under the Federal Tax ID of the diocese. A congregation may contribute to the fund. Use of the discretionary fund should be consistent with National Canon 2003 Title 3, Canon 9, Section 5(b)(6) and the *Manual of Business Methods in Church Affairs*.

10. **Property Items**

A congregation considering the sale, purchase or encumbrance of property shall review and follow Diocesan Canon 4.1(4) and National Canons 2003 I.7.3 and II.6.2 and inform the Bishop of such consideration.

11. **Convention Delegates**

Congregations shall budget for delegates to attend the Annual Diocesan Convention consistent with the *Policy on Diocesan Convention Guidelines For Congregations Adopted 2007-03*.

For additional information on any of these items, contact the Diocesan Office at (920) 830-8866.